The inaugural Singapore Economic Policy Conference organised by the Singapore Centre for Applied and Policy Economics (SCAPE), Department of Economics, NUS, was held on 18 October 2007 at the Four Seasons Hotel.

The objective of the Conference was to bring together academics and practitioners in the public and private sectors to discuss topical subjects pertinent to the Singapore economy, and through such dialogue, to foster a better understanding of the issues involved.

The programme for the conference featured a strong line-up of speakers and a wide range of topics. The Conference was opened by Professor Tan Eng Chye, Deputy President (Academic) and Provost of NUS. Subsequent speakers hailed not just from academia but also from the public and private sectors, and are experts or leading practitioners in their respective fields. Broadly, the presentations in the morning of the one-day Conference dealt with the ever-relevant issue of how Singapore could continue to expand the size of its economic pie, while the afternoon sessions focused on this as well as issues pertaining to the distribution of the pie.

The first presentation was by Assoc Prof Tilak Abeysinghe, Deputy Director, SCAPE. He focused on the booming property market in Singapore and its impact on the broader economy. He also presented short to medium-term economic growth forecasts for Singapore. Mr. Sum Yee Loong, Tax Partner, Deloitte and Touche then discussed the key global trends in corporate tax rates, and what Singapore could do to attract direct investments in an era of intense global competition for capital. The last session of the morning was by Mr. Wong Keng Siong, Vice-President, Group Risk, Country Risk Management, DBS Bank, who discussed, from a practitioner’s point of view, how we could best manage the risks arising from volatility in the financial markets. Interesting insights were also provided by Mr. Yeong Wai Cheong, Group Managing Director and CEO of the Konzen Group, and an experienced financial practitioner, who chaired this session.

After lunch, the discussion turned to some of the most pressing socio-economic challenges facing Singapore today. These included the declining fertility rate, a rapidly ageing population, and the widening income gap. Assoc Prof Angelique Chan, Department of Sociology, NUS, started the afternoon’s discussion by taking a close look at the trends and issues relating to fertility, migration and the labour market.
market in Singapore. Assoc Prof Albert Tsui, Department of Economics, NUS then went on to present estimates of how the interest rate for the CPF Special, Medisave and Retirement Accounts (SMRA) could change under the new method of pegging the SMRA rate to the yield on 10-year Singapore Government Securities. Given longer life expectancies, Assoc Prof Tsui also assessed the extent to which the elderly would be able to meet their retirement financial needs from their CPF savings under various expenditure and retirement scenarios.

To round up the conference, a panel comprising Madam Halimah Yacob, Member of Parliament for Jurong GRC and Assistant Secretary-General of NTUC, and Ms Vivi Zainol, Lecturer, School of Interdisciplinary Studies, Ngee Ann Polytechnic tackled the important issue of how our social safety net could help to ensure that the most vulnerable segments of our population would not be left behind even as our economy continues to grow. Madam Halimah also elaborated on the initiatives by NTUC to help older workers, contract and casual workers, low wage and structurally-unemployed workers, as well as women workers.

Overall, the conference was marked by lively exchanges of views between the participants and speakers. The conference was attended by around 80 participants from various ministries, statutory agencies and the private sector, as well as the academia and the media. Highlights of the conference were featured on TV and the press the same evening and the following day.

Assoc Prof Chia Ngee Choon has been appointed a member of the National Longevity Insurance Committee (NLIC). The NLIC was formed in September 2007 to study and recommend to the Government, the best way to implement a National Longevity Insurance Scheme. Professor Lim Pin, who is the Chairman of the National Wages Council, chairs this committee. The report is expected to be completed by March 2008.

Dr Han Hee Joon was appointed as a member of the Research Committee of the NUS Risk Management Institute in 2007.

Assoc Prof Albert Hu was invited as a discussant to a World Intellectual Property Organization (WIPO) Roundtable on the Economics of Intellectual Property held in Geneva, Switzerland, 26-27 November 2007. His research on knowledge flow in East Asia was featured in an International Herald Tribune article, “Turning the Tide on Knowledge Flows,” 26 November 2007.

Dr Vijayakala Seevaratnam served as a member of the Organising Committee for the 2007 Global Maritime and Intermodal Logistics Conference. She also served as a Chair for the Panel Discussion on ‘Safety and Security Issues in Shipping and Ports’ at the Industry Workshop on Asia-Pacific Shipping and Ports – 2008 and Beyond, at the Holiday Inn Atrium, Singapore on 18 December 2007.

Professor Sun Yeneng gave a seminar talk on 27 November 2007 while visiting the University of Illinois at Urbana-Champaign, USA.

Assoc Prof Xiao Luo served as the Program Committee Chair of the 2007 Joint Conference in Game Theory and Decentralization, Taipei, Taiwan. He was also a Program Committee Member of the 4th Asian General Equilibrium (GETA 2007), NUS, Singapore.

Assoc Prof Julian Wright was an Invited Speaker at the ’2007 Australasian Meeting of the Econometric Society’ held between 3 and 6 July 2007 and presented a talk titled “Recent Developments in Two-Sided Markets”. He was also a discussant for the talk by Professor Rochet titled “Competing Payment Systems - Insights from the Literature” at the ‘Payments System Review Conference’ held in Sydney on 29 November 2007 (the Reserve Bank of Australia co-hosted the conference with Melbourne Business School).
The Department of Economics Seminars Series is usually held on Tuesdays and Thursdays, from 4.00 pm - 5.30 pm.

**Semester I, Academic Year 2007/2008**

<table>
<thead>
<tr>
<th>Presenter</th>
<th>Topic</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor Aloysius Siow University of Toronto</td>
<td>Marriage Matching, Risk Sharing and Spousal Labor Supplies</td>
<td>7 August 2007</td>
</tr>
<tr>
<td>Dr Aamir R. Hashmi National University of Singapore</td>
<td>Market Structure and Innovation: A Dynamic Analysis of the Global Automobile Industry</td>
<td>23 August 2007</td>
</tr>
<tr>
<td>Professor Jean-Marc Bonnisseau Université Paris 1</td>
<td>General Equilibrium Theory and Increasing Returns: An Alternative to the Survival Assumption</td>
<td>30 August 2007</td>
</tr>
<tr>
<td>Professor Masaki Aoyagi Osaka University</td>
<td>Optimal Sales Schemes against Interdependent Buyers</td>
<td>6 September 2007</td>
</tr>
<tr>
<td>Professor Jinwoo Kim Yonsei University</td>
<td>Optimal Collusion-Proof Auctions</td>
<td>20 September 2007</td>
</tr>
<tr>
<td>Professor Asher Wolinsky Northwestern University</td>
<td>Search with Asymmetric Information</td>
<td>25 September 2007</td>
</tr>
<tr>
<td>Dr Lixin Colin Xu World Bank</td>
<td>Institutions and Foreign Direct Investment: China versus the Rest of the World</td>
<td>27 September 2007</td>
</tr>
<tr>
<td>Professor Kamal Saggi Southern Methodist University</td>
<td>Bilateralism, Pure Multilateralism, and the Quest for Global Free Trade - Joint with SCAPE</td>
<td>9 October 2007</td>
</tr>
<tr>
<td>Dr Guillaume Rocheteau National University of Singapore</td>
<td>Crashes and Recoveries in Illiquid Markets</td>
<td>11 October 2007</td>
</tr>
<tr>
<td>Assoc Prof John Stachurski Kyoto University</td>
<td>Equilibrium Storage with Multiple Commodities</td>
<td>16 October 2007</td>
</tr>
<tr>
<td>Professor Andrea Ichino Universita’ di Bologna</td>
<td>College Cost and Time to Complete a Degree: Evidence from Tuition Discontinuities</td>
<td>25 October 2007</td>
</tr>
<tr>
<td>Assoc Prof Murali K. Agastya National University of Singapore</td>
<td>Continuing Wars of Attrition</td>
<td>30 October 2007</td>
</tr>
<tr>
<td>Professor Olivier Compte CERAS, Ecole Nationale des Ponts et Chaussées</td>
<td>Bargaining and Majority Rules: A Collective Search Perspective</td>
<td>1 November 2007</td>
</tr>
<tr>
<td>Professor Russell Cooper University of Texas at Austin</td>
<td>Is it is or is it Ain’t my Obligation? Regional Debt in a Fiscal Federation</td>
<td>6 November 2007</td>
</tr>
<tr>
<td>Dr Dmitriy Kvasov University of Auckland</td>
<td>U-Boats</td>
<td>15 November 2007</td>
</tr>
<tr>
<td>Professor Jean-Charles Rochet Université Toulouse 1</td>
<td>Accident Risk, Limited Liability and Dynamic Moral Hazard</td>
<td>27 November 2007</td>
</tr>
<tr>
<td>Professor Taiji Furusawa Hitotsubashi University</td>
<td>A Factor Proportions Theory of Endogenous Firm Heterogeneity</td>
<td>29 November 2007</td>
</tr>
</tbody>
</table>
INDUSTRIAL ORGANIZATION WORKSHOPS

Co-ordinator : Assoc Prof Julian Wright

Semester I, Academic Year 2007/2008

<table>
<thead>
<tr>
<th>Speaker(s)</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
</table>
| Professor Ivan Png  
Department of Information Systems,  
Business Policy & Economics  
National University of Singapore | Copyright Law and Movie Production: The European Rental Directive | 10 August 2007 |
| Dr Huang Ke-Wei  
Department of Information Systems &  
Economics  
National University of Singapore | Monopoly Pricing and Maximizing Shareholder’s Wealth | 31 August 2007 |
| Assoc Prof Murali Agastya  
Department of Economics  
National University of Singapore | Access and Veto Rights and the Nature of the Firm | 21 September 2007 |
| Dr Fu Qiang  
Department of Business Policy  
National University of Singapore | The Beauty of “Bigness”: Merging or Splitting | 2 November 2007 |

MICRO-GROUP MEETINGS

Co-ordinator : Assoc Prof Indranil Chakraborty
Website : http://nt2.fas.nus.edu.sg/ecs/res/micro_2007-I.asp

Semester I, Academic Year 2007/2008

<table>
<thead>
<tr>
<th>Speaker</th>
<th>Title</th>
<th>Date</th>
</tr>
</thead>
</table>
| Dr Aggey Semenov  
Department of Economics  
National University of Singapore | Bargaining in the Appointment Process, Constrained Delegation and the Political Weight of the Senate | 1 October 2007 |
| Dr Arkadii Slinko  
University of Auckland | Proportional Representation and Strategic Voters | 5 November 2007 |
| Professor Joseph Ostroy  
University of California, Los Angeles | Decentralized Knowledge, Internal Organization, and the Limits of the Price System | 9 November 2007 |
| Professor Parkash Chander  
Department of Economics  
National University of Singapore | Coalitional Equilibria | 30 November 2007 |
The following graduate students of the Department were conferred degrees between 1 July 2007 and 31 December 2007.

**PhD**

<table>
<thead>
<tr>
<th>Student</th>
<th>Topic</th>
<th>Supervisor(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chung Wee-Wee, Connie Elizabeth</td>
<td>Banking Reforms in the Transitional Economy of China</td>
<td>Assoc Prof Jose Tongzon</td>
</tr>
<tr>
<td>Eni Vimaladewi</td>
<td>Essays on Portfolio Optimization and Management Using Bootstrapping Method: The Case of Bank Indonesia</td>
<td>Professor Tse Yiu Kuen</td>
</tr>
<tr>
<td>Gurpreet Singh Bhatia</td>
<td>Essays on Services Industries: The Efficiency Measurement</td>
<td>Assoc Prof Shandre M Thangavelu Assoc Prof Zeng Jinli</td>
</tr>
<tr>
<td>Subhashini Muthukrishnan</td>
<td>Quality Differentiation and Consumer Choice</td>
<td>Professor Parkash Chander</td>
</tr>
<tr>
<td>Zheng Yi</td>
<td>Essays on Financial Market Linkages in East Asian Countries</td>
<td>Assoc Prof Wong Wing Keung</td>
</tr>
</tbody>
</table>

**M. SOC. SCI. by Research**

<table>
<thead>
<tr>
<th>Student</th>
<th>Topic</th>
<th>Supervisor(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cheng Rui</td>
<td>Execution Costs in China Stock Market</td>
<td>Assoc Prof Wong Wing Keung</td>
</tr>
<tr>
<td>Cheong Ji-nin</td>
<td>Evaluating the Australian ICT Input Substitution and Productivity Effects</td>
<td>Assoc Prof Shandre M Thangavelu</td>
</tr>
<tr>
<td>Choong Soo Yuen</td>
<td>The Hub-And-Spokes Effects of Singapore’s Overlapping Free Trade Agreements: A CGE Analysis Using GTAP</td>
<td>Dr Hur Jung</td>
</tr>
<tr>
<td>Huang Jingying</td>
<td>Free Entry and Social Welfare</td>
<td>Assoc Prof Julian Wright</td>
</tr>
</tbody>
</table>

**Congratulations and Good Wishes**

**Professor Zhang Jie** on his promotion to full Professorship with retrospective effect from 1 July 2007!

**Assoc Prof Indranil Chakraborty** on his award of tenure with retrospective effect from 1 July 2007!

**Assoc Prof Liu Haoming** on his promotion with tenure to Associate Professorship with effect from 1 January 2008!

**Assoc Prof Julian Wright** on his award of tenure with retrospective effect from 1 January 2008!

**Dr Wong Wei Kang** won the Faculty Excellent Teacher Award 2006/2007! The Faculty sets a very high store by the quality of the education it offers. The awards are given in recognition of the work and success of our most dedicated teachers in the Faculty.
THE FIRST SINGAPORE ECONOMIC THEORY WORKSHOP (SET 2007)

16-17 AUGUST 2007

The First Singapore Economic Theory Workshop (SET 2007) was organized by the Department of Economics at the National University of Singapore on 16-17 August 2007, in the NUS campus.

The workshop is part of the effort to bring the Department to the forefront of research activities in economic theory. The SET Workshops are to be an annual event. They will allow participants to present and be informed about the latest developments in economic theory – broadly defined. This year, papers presented in SET are eligible for the Special Issue of the Journal of Mathematical Economics devoted to conferences in general equilibrium.

John Ledyard (Caltech) and Stephen Morris (Princeton) were the two plenary speakers at the SET workshop. Invited speakers included Jeff Ely (Northwestern), Rod Garratt (Santa Barbara), Akihiko Matsui (Tokyo), Wing Suen (Hong Kong) and Rabee Tourky (Queensland). Twenty-one papers on different areas of economic theory were presented over two days. The organizing committee consisted of Professor Parkash Chander (Chair), Assoc Prof Indranil Chakraborty, Assoc Prof Aditya Goenka and Professor Sun Yeneng.
Conference papers presented by our staff members between 1 July 2007 and 31 December 2007 are given below.

<table>
<thead>
<tr>
<th>Name</th>
<th>Title of Conference</th>
<th>Title of Paper</th>
<th>Venue</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assoc Prof Julian Wright</td>
<td>Australasian Meeting of the Econometric Society 2007</td>
<td>Recent Developments in Two-Sided Markets</td>
<td>The University of Queensland, Brisbane, Australia</td>
<td>3-6 July 2007</td>
</tr>
<tr>
<td>Dr Yohanes Eko Riyanto</td>
<td>Australasian Meeting of the Econometric Society 2007</td>
<td>Harmful Monitoring</td>
<td>The University of Queensland, Brisbane, Australia</td>
<td>3-6 July 2007</td>
</tr>
<tr>
<td>Dr Hur Jung</td>
<td>Asia Pacific Trade Seminars (APTS) 2007</td>
<td>Labor-Management Bargaining, Labor Standards and International Rivalry</td>
<td>Shanghai University of Finance and Economics, Shanghai, China</td>
<td>7-8 July 2007</td>
</tr>
<tr>
<td>Dr Lu Jingfeng</td>
<td>International Game Theory Conference</td>
<td>Auction Design with Opportunity Cost</td>
<td>Stony Brook, USA</td>
<td>9-13 July 2007</td>
</tr>
<tr>
<td>Assoc Prof Chia Ngee Choon</td>
<td>15th Australian Colloquium of Superannuation</td>
<td>Central Provident Fund-Investment Scheme in Singapore: A Preliminary Comparison of Returns</td>
<td>University of New South Wales, Sydney, Australia</td>
<td>19-20 July 2007</td>
</tr>
<tr>
<td>Dr Sarah Tong Yueting</td>
<td>Chinese Economic Society</td>
<td>Foreign Investment and Ownership Transformation of China’s SOEs</td>
<td>Hunan University, Changsha, China</td>
<td>26-30 July 2007</td>
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<thead>
<tr>
<th>Name</th>
<th>Title of Conference</th>
<th>Title of Paper</th>
<th>Venue</th>
<th>Date</th>
</tr>
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<tbody>
<tr>
<td>Dr Wong Wei Kang</td>
<td>Singapore Economic Review Conference 2007 (SERC)</td>
<td>To Trade or Not to Trade: The Endowment Effect and Manipulations of the Reference State</td>
<td>Meritus Mandarin, Singapore</td>
<td>2-4 August 2007</td>
</tr>
<tr>
<td>Assoc Prof Aditya Goenka</td>
<td>Workshop on Macroeconomic Dynamics</td>
<td>Infectious Diseases and Endogenous Fluctuations</td>
<td>Adelaide, Australia</td>
<td>11-12 August 2007</td>
</tr>
<tr>
<td>Professor Parkash Chander</td>
<td>The First Singapore Economic Theory Workshop (SET 2007)</td>
<td>Green Consumerism and Collective Action</td>
<td>National University of Singapore</td>
<td>16-17 August 2007</td>
</tr>
<tr>
<td>Assoc Prof Xiao Luo</td>
<td>The First Singapore Economic Theory Workshop (SET 2007)</td>
<td>Bayesian Coalitional Rationalizability</td>
<td>National University of Singapore</td>
<td>16-17 August 2007</td>
</tr>
<tr>
<td>Dr Lu Jingfeng</td>
<td>The First Singapore Economic Theory Workshop (SET 2007)</td>
<td>Coordination in Entry and Auction Design with Private-Information - Acquisition Costs of Valuation Discovery</td>
<td>National University of Singapore</td>
<td>16-17 August 2007</td>
</tr>
<tr>
<td>Professor Parkash Chander</td>
<td>Joint Conference in Game Theory and Decentralization 2007</td>
<td>Coalitional Equilibria</td>
<td>Academia Sinica, Taipei, Taiwan</td>
<td>19-22 October 2007</td>
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<table>
<thead>
<tr>
<th>Name</th>
<th>Title of Conference</th>
<th>Title of Paper</th>
<th>Venue</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assoc Prof Murali Agastya</strong></td>
<td>Joint Conference in Game Theory and Decentralization 2007</td>
<td>On Choice in a Complex Environment</td>
<td>Academia Sinica, Taipei, Taiwan</td>
<td>19-22 October 2007</td>
</tr>
<tr>
<td><strong>Assoc Prof Xiao Luo</strong></td>
<td>Joint Conference in Game Theory and Decentralization 2007</td>
<td>Epistemic Foundation of Bayesian c-Rationalizability</td>
<td>Academia Sinica, Taipei, Taiwan</td>
<td>19-22 October 2007</td>
</tr>
<tr>
<td><strong>Assoc Prof Liu Haoming</strong></td>
<td>2007 International Symposium on Contemporary Labor Economics</td>
<td>Is There a Quality-Quantity Tradeoff? Evidence from the Relaxation of China’s One Child Policy</td>
<td>Xiamen University, China</td>
<td>8-9 December 2007</td>
</tr>
<tr>
<td><strong>Dr Aamir Rafique Hashmi</strong></td>
<td>The All China Economics (ACE) International Conference</td>
<td>Intangible Capital, Barriers to Technology Adoption and Cross Country Income Differences</td>
<td>City University, Hong Kong</td>
<td>12-14 December 2007</td>
</tr>
<tr>
<td><strong>Dr Wong Wei Kang</strong></td>
<td>The All China Economics (ACE) International Conference</td>
<td>The Political Economy of Housing Prices: An Empirical Investigation</td>
<td>City University, Hong Kong</td>
<td>12-14 December 2007</td>
</tr>
<tr>
<td><strong>Dr Cheolsung Park</strong></td>
<td>Asian Conference 2007 on Applied Microeconomics/ Econometrics</td>
<td>Effect of Sibship Size and Birth Order on Education in a Subsistence Level Economy: Evidence from Rural Bangladesh</td>
<td>Korea University, Seoul, Korea</td>
<td>14-15 December 2007</td>
</tr>
<tr>
<td><strong>Dr Han Hee Joon</strong></td>
<td>18th Annual EC2 (European Conferences of the Econometrics Community) Conference on Advanced Time Series Econometrics</td>
<td>GARCH Process with Persistent Covariates</td>
<td>Faro, Portugal</td>
<td>14-15 December 2007</td>
</tr>
<tr>
<td><strong>Dr Vijayakala Seeveratnam and Assoc Prof K. Raguraman</strong></td>
<td>Global Maritime and Intermodal Logistics 2007</td>
<td>Recent Trends and Developments in Ship Registration</td>
<td>Holiday Inn Atrium, Singapore</td>
<td>17-19 December 2007</td>
</tr>
<tr>
<td><strong>Professor Parkash Chander</strong></td>
<td>International Conference on Comparative Development - in celebration of the Platinum Jubilee of the Indian Statistical Institute</td>
<td>Climate Change and the Kyoto Protocol</td>
<td>Indian Statistical Institute, New Delhi, India</td>
<td>18-20 December 2007</td>
</tr>
</tbody>
</table>
The period July – December 2007 was a very busy one for SCAPE. In addition to the Singapore Economic Policy Conference (please see cover story on page 1), the following are the activities undertaken by SCAPE in this six-month period, in approximate chronological order.

**Workshop on “Discrete Choice Modelling”**
3-5 July 2007
The workshop was conducted by Professor David Hensher, Director, Institute of Transport and Logistics Studies (ITLS) and Associate Dean, Faculty of Economics and Business, University of Sydney, and Dr. John Rose, Lecturer, ITLS. It was jointly organised with the Ministry of Trade and Industry, Singapore (MTI) and the Land Transport Authority, Singapore (LTA).

**SCAPE Public Lecture on “Developing a Service Quality Index (SQI): A Case Study in the Provision of Bus Services”**
4 July 2007
By Professor David Hensher, University of Sydney

30-31 July 2007
SCAPE—collaborating with the Claremont McKenna College and the Johns Hopkins University School of Advanced International Studies, Bologna Center—launched the annual Claremont-Bologna-SCAPE International Economic Policy Forum with a two-day symposium at the National University of Singapore on 30 and 31 July 2007.

This inaugural forum’s theme was “Capital Flows Financial Markets and Economic Integration in Asia”, which was discussed in six sessions comprising a dozen papers by about thirty invited speakers and participants. The speakers at the forum included Professor Barry Eichengreen, University of California-Berkeley; Professor Dominick Salvatore, Fordham University; Professor Tom Willett, Claremont College; Professor Sven Arndt, Claremont McKenna College; Dr. Khor Hoe Ee of the Monetary Authority of Singapore and Professor Michael Plummer, SAIS-Bologna. The workshop was partially sponsored by the Ministry of Trade and Industry, Singapore (MTI).

SCAPE—collaborating with the Claremont McKenna College and the Johns Hopkins University School of Advanced International Studies, Bologna Center—launched the annual Claremont-Bologna-SCAPE International Economic Policy Forum with a two-day symposium at the National University of Singapore on 30 and 31 July 2007.

**SCAPE Public Lecture by Professor Barry Eichengreen**
31 July 2007
As a keynote address to the Claremont-Bologna-SCAPE International Economic Policy Forum 2007, Professor Barry Eichengreen of the University of California at Berkeley presented his views on corporate governance in Asia ten years after the 1997/98 financial crises in a public lecture on 31 July 2007.

He showed that institutional reforms in Asia have been unsatisfactory. Therefore, despite all the efforts to protect the region against instability, we cannot rule out financial crisis in the near future. He also argued that China today is like the US in the 19th century: it is a booming economy plagued by exuberant investors, weak institutions, and a fragile financial system, which can always turn to bust. He highlighted this comparison asserting that “when China sneezes, the rest of Asia can catch pneumonia”.

Professor Eichengreen is the George C. Pardee and Helen N. Pardee Professor of Economics and Professor of Political Science at the University of California, Berkeley. He is also Research Associate of the National Bureau of Economic Research, Research Fellow of the Centre for Economic Policy Research, and International Research Fellow of the Kiel Institute of World Economics. He has published articles in American Economic Review, European Economic Review, Journal of Development Economics, Journal of Economic Literature, Journal of Economic Perspectives, Journal of International Economics, Journal of Money, Credit and Banking, and many others. His recent books include the European Economy since 1945: Coordinated Capitalism and

SCAPE POLICY FORUM SERIES

The Inaugural SCAPE Policy Forum on “Climate Change and the Kyoto Protocol”
29 August 2007

During this period, SCAPE was also pleased to launch a Policy Forum Series. This will be a continuing series of public lectures and talks by prominent academics and experts on economic issues of wide current interest. The aim of this series is to stimulate a wider discussion and dialogue between academics and interested individuals from the public and private sectors.

Professor Parkash Chander, Head, Department of Economics, NUS, inaugurated this series with a talk on “Climate Change and the Kyoto Protocol”. Global climate change and the appropriate policy responses to it are subjects of immense policy significance, and Professor Chander has in recent years been actively researching the issues at stake in the current international negotiations on climate change.

During his presentation, Professor Chander recommended support for climate change agreements like the Kyoto Protocol and trade in emissions. Countries should consider developing institutions and markets which facilitate trade in pollution permits and cleaner or more energy-efficient technologies.

The forum was well-attended by interested individuals from outside and within the University. An informal reception followed the forum.

Subsequent policy forums have included the following.

“Overlapping Free Trade Agreements of Singapore”
11 September 2007
The speakers were Assistant Professor Jung Hur and Mr. Chong Soo Yuen, Department of Economics, NUS.

“Projecting the Growth of Potential Output: Applying the Lessons of Growth Theory and Growth Accounting”
18 September 2007
The speaker was Professor Nicholas Oulton, Senior Visiting Research Fellow at the Centre for Economic Performance of the London School of Economics and Visiting Professor, University College London.

“Bilateralism, Pure Multilateralism and the Quest for Global Free Trade”
9 October 2007
The speaker was Professor Kamal Saggi, Southern Methodist University
The forum was jointly organised with the Department of Economics.

“Monetary Policy Challenges in a Financially Liberalised Environment: The Indian Experience”
10 October 2007
The speaker was Professor Dilip. M. Nachane, Visiting Senior Research Fellow, Institute of South Asian Studies (ISAS). This forum was jointly organised by SCAPE and ISAS.

Planned speakers at future policy forums include Assoc Prof Albert Guangzhou Hu (Knowledge Flow in East Asia and Beyond), Assoc Prof Chia Ngee Choon (Generational Accounting for Singapore), and Assoc Prof Julian Wright (Net Neutrality).

The SCAPE-EABER Workshop on Intra-Asia Trade and Factor Flows: Trends, Determinants and Implications
8-9 October 2007

The Singapore Centre for Applied and Policy Economics (SCAPE), Department of Economics, NUS, co-organised the SCAPE-EABER Workshop, held at the NUS Shaw Building, with the East-Asian Bureau of Economic Research (EABER), Australian National University and the Ministry of Trade and Industry, Singapore (MTI). The

continued on page 12
Guest-of-Honour, who delivered the Opening Address, was Mr. Ravi Menon, Second Permanent Secretary of the Ministry of Trade and Industry, Singapore (MTI).

The one-and-a-half day workshop featured experts presenting their research findings on intraregional equity and debt flows, labour flows, services trade, and technology and trade flows in Asia. Speakers were from the International Monetary Fund, the Bank of International Settlements, the Asian Development Bank Institute, the Hong Kong Monetary Authority, and universities and research institutes in the region. Nine papers were presented in total, and thirty institutions participated in the workshop. Some of the interesting papers presented included “Can Japan Dance with India?” by Shigeyuki Abe (Doshisha University), “Why Do They Patent in China?” by Albert Hu (NUS) and “Determinants of International Bank Lending from the Developed World to East Asia” by Reza Siregar (IMF - Singapore Regional Training Institute and University of Adelaide) and Choy Keen Meng (Nanyang Technological University). The event concluded with a panel discussion on regional integration.

The workshop was well-attended by interested individuals from outside and within the University, and valuable comments were received from the invited discussants and audience.

SCAPE Public Lecture by Professor Mario Monti
23 October 2007

In a SCAPE Public Lecture on 23 October 2007, co-organised with the Embassy of Italy, the European Commission Delegation to Singapore, and the Singapore Academy of Law, Professor Mario Monti, President of Bocconi University and the former European Union Commissioner of Competition, spoke on ‘Competition Policies in the EU’.

Comparing competition policies in the EU and the US, he argued that the latter tended to be influenced in part by the ideological position of the party in power, as illustrated by the different handling of the Microsoft case under the Clinton and Bush administrations. This was not an issue in the EU context. As a supranational institution, the EU’s decisions were also not subject to differing interpretations of the law by federal and state authorities, as in the US.

Professor Monti also emphasized the need for careful economic analysis in implementing competition policy, and called for greater cooperation and exchange of information among national competition regulatory bodies.

Professor Monti is the author of numerous publications, particularly on monetary and financial issues, fiscal policy and European integration. His lecture was chaired by Assoc Prof Tan Tai Yong, Dean, Faculty of Arts and Social Sciences, and attended by about 100 persons from the public and private sectors, embassies and academia.

SCAPE POLICY RESEARCH WORKING PAPER SERIES

The following working papers were added to SCAPE’s website during this period.

“Overlapping Free Trade Agreements of Singapore-USA-Japan: A Computational Analysis”
Dr. Hur Jung and Mr. Chong Soo Yuen

continued on page 13
“Do Banks Respond to Capital Requirement? Evidence from Indonesia”
Dr. Yohanes E. Riyanto and Dr. Rasyad A. Parinduri (an article based on this was also published in the Straits Times, 26 September 2007)

“Exchange Rate Exposure of Sectoral Returns and Volatilities: Evidence from Japanese Industrial Sectors”
Mr. Prabhath Jayasinghe and Assoc Prof Albert K. Tsui

Forthcoming working papers include studies of Singapore’s direct investments in Sri Lanka by Assoc Prof Tilak Abeyasinghe and Ananda Jayawickrama, of knowledge flow in East Asia by Assoc Prof Albert Guangzhou Hu and of economic openness, disciplined government and ethnic peace by Nava Ravi Kumaran and Assoc Prof Tilak Abeyasinghe.

A WARM WELCOME TO THE DEPARTMENT

Professor Chen Songnian from the Hong Kong University of Science and Technology has joined the Department Economics, NUS on 1 January 2008 as a Visiting Professor. He has been awarded a Professorship with tenure effective from 1 March 2008. Professor Chen is quite clearly the best econometrician of his generation in Asia and is currently ranked 36th in the world based on a 2007 ranking exercise (based on standardized page counts for all econometrics publications since 1995; see WORLDWIDE ECONOMETRICS RANKINGS: 1989-2005 by Badi Baltagi, forthcoming in Econometric Theory). He has been Chair Professor of Economics at Hong Kong University of Science and Technology since July 2005. He has a very distinguished research career which remains extremely active. Since receiving his PhD in Economics from Princeton University in 1994, he has published (or has accepted for publication) fourteen papers in Tier 1 economics journals, as well as a paper in the highly-regarded Journal of the American Statistical Association (JASA), and a paper accepted for publication in the Annals of Statistics which is another leading statistics journal. Professor Chen’s primary field is econometrics, with an emphasis on theoretical and applied microeconometrics. He could lead the development of econometrics in the department, and in particular the area of microeconometrics which should provide a nice complement to our strength in microeconomic theory.

Professor Chew Soo Hong from the Hong Kong University of Science and Technology has been appointed as a Visiting Research Professor, with courtesy appointments in the Departments of Economics and Business Policy with effect from 1 January 2008 to 30 June 2008.

Assoc Prof Parimal Kanti Bag has been appointed as an Associate Professor with tenure effective from 1 November 2007. He has joined us from the University of Surrey where he was a tenured full Professor. His area of work is microeconomics in which the Faculty and the Department hope to excel globally. The FASS has identified Economics as one of its priority departments, and aspires to build it into a world-class department. Most top economics departments in the US tend to be strong in only one and not all branches. The Department has been able to build a very strong group in the area of microeconomics (broadly defined) which is close to achieving an international standing. There are now 5-6 faculty members who are regularly publishing in top journals in microeconomics, and the department intends to augment this area by recruiting 5-6 senior scholars in the field of microeconomics. His joining the Department will significantly strengthen this group and raise its profile.

Assoc Prof Joydeep Bhattacharya from Iowa State University has been appointed as a Visiting Associate Professor with effect from 2 January 2008 to 30 June 2008.

Assoc Prof Helle Bunzel from Iowa State University has been appointed as a Visiting Associate Professor with effect from 7 January 2008 to 30 June 2008.

Assoc Prof Chong Juin Kuan from the Department of Marketing, NUS Business School has been appointed to the Department of Economics under the Courtesy Joint-Appointment with effect from 1 November 2007 to 31 October 2008.

Dr Kevin K. Tsui from Clemson University has been appointed as a Visiting Fellow with effect from 7 January 2008 to 4 June 2008.

Dr Zhou Lingzhi from the Hong Kong University of Science and Technology has been appointed as a Lecturer in the Department of Economics, NUS with effect from 1 January 2008 to 31 December 2010.

Ms Sreyashi Datta Sen has been appointed as a Teaching Assistant with effect from 16 January 2008 to 31 December 2008.
SMALL HUBS, LARGE SPOKES AND OVERLAPPING FREE TRADE AGREEMENTS
by Hur Jung and Chong Soo Yuen
World Economy (forthcoming)

The proliferation of overlapping free trade agreements (FTA) in the recent years has led to pair-wise hub-and-spokes (HAS) throughout the world. Being avid subscribers to FTAs, many countries in the Asia-Pacific region including the USA, Japan, Singapore, South Korea, Thailand and Australia have become trade hubs to their partners who are in turn relegated to spoke status. In this paper, we question whether being a hub is welfare optimal for a small and open economy like Singapore compared to membership in a single bilateral FTA or a multi-member free trade zone. Within this context, we use a computable general equilibrium model to examine the welfare implications of the triangular trade relationship of the USA, Singapore and Japan. This is facilitated by the Japan-Singapore Economic Partnership Agreement, the USA-Singapore Free Trade Agreement, and a hypothetical USA-Japan Economic Partnership Agreement. The analysis is extended to incorporate “super-hub” effects; that is, the spoke countries can be trade hubs in other HAS systems. The experiment reveals that hub status generates positive welfare gain and is the highest Singapore can get from the trade configurations considered. Meanwhile, Japan loses more than the USA when both are relegated to spoke status. These findings prove robust under different market structures and production technologies, deeper economic integration, “super-hub” effects, as well as, uncertainty in the key model parameters and the extent of trade liberalisation shocks.

OUTSOURCING TYPES, RELATIVE WAGES, AND THE DEMAND FOR SKILLED WORKERS: NEW EVIDENCE FROM US MANUFACTURING
by Hur Jung, Yohanes Eko Riyanto and Aekapol Chongvilaivan
Economic Inquiry (forthcoming)

Existing studies on the impact of outsourcing on relative wages and the demand for skilled workers mainly focus on aggregate outsourcing, in which imported intermediate inputs are used as a proxy. We depart from the existing studies by focusing on various types of outsourcing based on the six-digit NAICS US manufacturing data. We show that downstream materials and service outsourcing are skill-biased whereas upstream materials outsourcing is not. We also produce other supplementary results pertaining to the impact of technology, different capital inputs on relative wages, and the demand for skilled workers.

TIME-INCONSISTENT DOMESTIC ENVIRONMENTAL POLICIES AND OPTIMAL INTERNATIONAL ENVIRONMENTAL ARRANGEMENTS
by Hur Jung and Aekapol Chongvilaivan

The present paper employs the standard pollution control incorporating countries’ asymmetries, not only in their consumption and environmental concerns, but also in their environmental technologies. First, we show that the absence of international collaboration makes domestic environmental policies discretionary and may result in the time-inconsistent outcome. Then, we compare two cooperative regimes, international environmental agreements (IEA) and the central environmental authority (CEA). In certain conditions, IEAs may not be more efficient than the CEA in pollution abatement. Furthermore, although the IEA Pareto dominates the CEA, the success of IEAs may be hampered by conflicts of interests among the signatories.

ON THE RELEVANCE OF ALTERNATIVES IN BARGAINING: GENERALIZED AVERAGE PAY-OFF SOLUTIONS
by Younghwan In
International Journal of Game Theory (forthcoming)

We generalize the average pay-off solution proposed by Anbarci (1995), which depends on all the alternatives, and show that the Nash and Kalai-Smorodinsky solutions are limits of generalized average pay-off solutions. We formalize the notion of relevant alternatives and compare solutions in terms of the relevance of alternatives.

ACADEMIC INTERACTIONS AMONG CLASSROOM PEERS: A CROSS-COUNTRY COMPARISON USING TIMSS
by Kang Chang Hui

Using an international data set from the Third International Mathematics and Science Study (TIMSS), we examine academic interactions among classroom peers for each country, and compare them across different countries. To minimize the bias that usually plagues peer effects studies, we take within-student differences between mathematics and science test scores. The results show a significantly positive association between peers’ performance and own achievement for most of the TIMSS countries. Moreover, the degree of mutual peer interactions within classroom is found to be surprisingly close across different countries, even if there exists a wide range of institutional differences in middle-school education (e.g. degree of ability mixing).

EFFECTS OF ABILITY MIXING IN HIGH SCHOOL ON ADULTHOOD EARNINGS: QUASIXPERIMENTAL EVIDENCE FROM SOUTH KOREA
by Kang Changhui, Cheolsung Park and Lee Myoung-Jae

We estimate impacts of ability mixing compared to ability grouping in high school education on students’ adulthood earnings. To overcome endogeneity and selection problems that plagued the previous studies, we exploit a policy experiment in South Korea in the 1970s, which changed the education regime of general high schools from grouping to mixing in major cities. We find that the mixing treatment has a positive but statistically insignificant effect on average adulthood earnings. We also find that while mixing has positive effects on low ability students’ adulthood earnings, it has smaller positive or even negative effects on higher ability students.

CAPITAL FLOWS AND EXCHANGE RATE VOLATILITY: SINGAPORE’S EXPERIENCE
by Basant K Kapur

Singapore’s experience with international capital flows over the past two decades or so has been a rather – although not completely – benign one, owing to strong fundamentals and generally well-conceived macro-economic policies. We begin by briefly discussing the experience in 1998 of Hong Kong, continued on page 15
airline flights were cancelled and the passenger load factor after the 11 September tragedy, 20% of the scheduled US
pp.1773-1781.

**AIRLINE PASSENGER FATALITY AND THE DEMAND FOR AIR TRAVEL**

by Liu Haoming and Zeng Jinli


After the 11 September tragedy, 20% of the scheduled US airline flights were cancelled and the passenger load factor was down to 56% from 66.6% a year ago. Was the high death toll or the nature of the attack itself responsible for this dramatic decline? Using the US data, we find that the demand for air travel did fall in years of relatively high fatality rate, but the demand is not sensitive to whether the high fatality rate is due to any terrorist activities. Our estimation results suggest that even after controlling for the sharp increase in the fatality rate because of the 11 September tragedy, a considerable proportion of the decline in demand for air travel that year is still unexplained. This evidence could suggest that there has been a fundamental shift in consumers’ perception of air travel safety in the aftermath of the tragedy.

**WHY A SIMPLE SECOND-PRICE AUCTION INDUCES EFFICIENT ENDOGENOUS ENTRY**

by Lu Jingfeng

Theory and Decision (published online)

This paper further studies ex ante efficient auctions in the setting of Stegeman (1996), where there exist entry costs for bidders who know their valuations. An alternative method is established to address efficient auctions. This method illustrates the intuition why the ex ante efficient allocation is Bayesian implementable through the Stegeman (1996) auction (a second price auction with a reserve price equal to seller’s valuation and no entry fee). More importantly, our method leads to an alternative ex ante efficient auction that implements uniquely the efficient entry. Thus, this alternative auction solves the entry indeterminacy problem of the Stegeman (1996) auction, which generally induces inefficient entry equilibria besides the efficient ones.

**CONTEST DESIGN AND OPTIMAL ENDOGENOUS ENTRY**

by Lu Jingfeng and Fu Qiang

Economic Inquiry (forthcoming)

This paper derives the effort-maximizing contest rule and the optimal endogenous entry in a context where potential participants bear fixed entry costs. The organizer is allowed to design the contest under a fixed budget with two strategic instruments: the value of the prize purse and a monetary transfer (entry subsidy/fee) for each participating contestant. The results show that the optimally designed contest attracts exactly two participating contestants in its unique subgame perfect equilibrium and extracts all the surplus from participating contestants. The direction (subsidy or fee) and amount of the monetary transfer depend on the magnitude of the entry cost.

**MARRIAGE MARKET, PARENTS’ BARGAINING POWERS, AND CHILDREN’S NUTRITION AND EDUCATION**

by Cheolsung Park


Test of resource pooling and test of effect of sex ratio in the marriage market on intrahousehold resource allocation are combined to test the unitary household model. The consistency condition between the two tests is derived to test the Nash bargaining and Pareto-efficient household models. I examine intrahousehold resource allocation to children’s nutrition and education in Indonesia. For children’s nutrition, the unitary household model is rejected in favour of the non-unitary models. The results for intervention for education are mixed. The decision-making process may differ depending on the type of decision being made.
OWNERSHIP OF PROPERTY RIGHTS AND THE ALLOCATION OF TALENTS
by Yohanes Eko Riyanto and Liu Haoming
Applied Economics (forthcoming, available online on 3 January 2008)
Under the reserve-clause system that assigns the property-rights on the Major League Baseball players’ services to teams, player transfers are negotiated between teams without the involvement of players. In contrast, under the current free-agency system, players with free-agent status negotiate directly with potential suitors. Thus, the system assigns the 15 property-rights to players. Using data extracted from the Baseball Archive (http://baseball1.com), this article examines the effect of the change in the property-rights assignment on the allocation of talents across teams. We find that the change increased large-market teams’ shares of veteran all-star players and the concentration of senior players.

THE PLURALISTIC VIEW OF POLITICS: ASYMMETRIC LOBBIES, IDEOLOGICAL UNCERTAINTY AND POLITICAL ENTRY
by Aggey Semenov and David Martimort
In a spatial common agency model, two asymmetric interest groups (principals) influence a unique decision-maker (agent). The decision-maker chooses a one-dimensional policy on behalf of those principals and has private information about his ideology after contracting with principals. The policy is always efficient and reflects a weighted average between the principals and the agent’s ideal points. The decision-maker’s expected rent can be fully extracted by congruent interest groups but not when interest groups’ objectives are too conflicting. The degree of congruence is endogenous. It depends on the level of ideological uncertainty, whether interest groups can easily buy influence or not, and on their relative ideological distance with the principal. In particular, the game of influence is biased towards the closest principal. This suggests that free-entry equilibria of a lobbying game may only reflect the full diversity of the lobbying groups’ preferences when there is enough ideological uncertainty and when those groups are close to be equally distant to the decision-maker.

POLITICAL BIASES IN LOBBYING GAMES UNDER ASYMMETRIC INFORMATION
by Aggey Semenov and David Martimort
This paper introduces asymmetric information in a pluralistic model of interest group competition and analyzes its impact on policy biases. Lobbying groups are uninformed on a decision-maker’s preferences and use nonlinear contributions not only to compete for the agent’s services but also to learn about his preferences in an otherwise standard common agency model of lobbying. Asymmetric information can be either on the decision-maker’s ideal point (horizontal differentiation) or on the strength of his own preferences for ideology (vertical differentiation). At equilibrium, asymmetric information redistributes bargaining powers between interest groups and the decision-maker in non-trivial ways that may depend on the kind of informational asymmetry which is postulated. Asymmetric information tends to mitigate the influence of interest groups and contributions might be significantly reduced. Interest groups no longer contribute for a change in policy what it is worth to them as under complete information. Contributions incorporate a discount related to the group’s ability to solve the asymmetric information problem.

CORE, EQUILIBRIA AND INCENTIVES IN LARGE ASYMMETRIC INFORMATION ECONOMIES
by Sun Yeneng and Nicholas C. Yannelis
We consider a perfectly competitive ex ante economy with a continuum of agents and negligible asymmetric information. For such an economy we recast the basic classical results on the existence of Walrasian equilibrium, core equivalence, and the blocking size of coalitions. Moreover, we examine the incentive compatibility of the ex ante Pareto, core and Walrasian allocations.

ON THE SEGMENTATION OF MARKETS
by Serene Tan and Nicolas L. Jacquet
This paper endogenizes the market structure of an economy with heterogeneous agents who want to form bilateral matches in the presence of search frictions and when utility is nontransferable. There exist infinitely many marketplaces, and each agent chooses which marketplace to be in: agents get to choose not only whom to match with but also whom they meet with. Perfect segmentation is obtained in equilibrium, where agents match with the first person they meet. All equilibria have the same matching pattern. Although perfect assortative matching is not obtained in equilibrium, the degree of assortativeness is greater than in standard models.

ITERATED STRICT DOMINANCE IN GENERAL GAMES
by Xiao Luo, Yi-Chun Chen and Ngo Van Long
We offer a definition of iterated elimination of strictly dominated strategies (IESDS*) for games with (in)finite players, (non)compact strategy sets, and (dis)continuous payoff functions. IESDS* is always a well-defined order independent procedure that can be used to solve Nash equilibrium in dominance-solvable games. We characterize IESDS* by means of a “stability” criterion, and offer a sufficient and necessary epistemic condition for IESDS*. We show by an example that IESDS* may generate spurious Nash equilibria in the class of Reny’s better-reply secure games. We provide sufficient/necessary conditions under which IESDS* preserves the set of Nash equilibria.

STABILITY, SEQUENTIAL RATIONALITY, AND SUBGAME CONSISTENCY
by Xiao Luo and Huang Sheng-Chieh
In this paper we analyze dynamic strategic behavior by means of the idea of “stability.” We develop a solution concept of “sequentially stable equilibrium (SSE)” that satisfies subgame consistency. All SSEs are characterized by the largest stable set that yields exactly all the backward induction outcomes. We also provide a refinement of the SSE. We compare the SSE and its refinement with some existing solution concepts in the literature.

MUTUALLY ACCEPTABLE COURSES OF ACTION
by Xiao Luo, Joseph Greenberg and Sudheer Gupta
Economic Theory (forthcoming)
We offer a game-theoretic framework that enables the analysis of situations whereby rational individuals with different beliefs and views of the world agree to a shared course of action. We introduce a new solution concept: a mutually acceptable course of action, which can be viewed as an (incomplete) contract or
a social norm that free rational individuals would be willing to follow for their own diverse reasons. We show that by varying the degree of completeness of the underlying course of action, our concept can be related to commonly used solutions, such as perfect equilibrium, perfect Bayesian equilibrium, (rationalizable) self-confirming equilibrium, and rationalizable outcomes.

ON THE FOUNDATION OF STABILITY
by Xiao Luo
Economic Theory (forthcoming)
The concept of stability à la J. von Neumann and O. Morgenstern, which is composed of a pair of internal and external stability requirements, formalizes the idea of standard of behavior. This paper studies the decision-theoretic foundation of stability, by establishing epistemic conditions for a “stable” pattern of behavior in the context of strategic interaction.

BAYESIAN COALITIONAL RATIONALIZABILITY
by Xiao Luo and Chih-Chun Yang
Economic Theory (forthcoming)
In this paper we extend Ambrus’s (2006, Quart. J. Econ. 121, 903-929) concept of “coalitional rationalizability (c-rationalizability)” to situations where, in seeking mutually beneficial interests, players in groups (i) make use of Bayes’ rule in expectation calculations and (ii) contemplate various deviations, i.e., the validity of deviation is checked against any arbitrary sets of strategies, and not just only against restricted subsets of strategies. We offer an alternative notion of Bayesian c-rationalizability suitable for such complex social interactions. We show that Bayesian c-rationalizability possesses nice properties similar to those of conventional rationalizability.

OPTIMAL SOCIAL SECURITY IN A DYNASTIC MODEL WITH INVESTMENT EXTERNALITIES AND ENDOGENOUS FERTILITY
by Zhang Jie and Zhang Junsen
This paper studies optimal pay-as-you-go social security with investment externalities, positive bequests and endogenous fertility. With an investment externality, a competitive solution without social security suffers from under-investment in capital and over-reproduction of population. We show the existence of time-consistent optimal social security that improves welfare by reducing fertility and increasing capital intensity. We also illustrate numerically that a small degree of this externality can justify the observed high ratios of social security spending to GDP.

IV ASIAN GENERAL EQUILIBRIUM THEORY WORKSHOP (GETA 2007)
18-19 AUGUST 2007
The IV Asian General Equilibrium Theory Workshop (GETA 2007) was held at the Department of Economics, National University of Singapore on 18-19 August 2007.
The Asian General Equilibrium Workshop allows participants to present and be informed of the latest developments in general equilibrium theory and its applications in other areas of economics, such as macroeconomic and monetary theory, public economics, and the theory of finance.
Papers presented in GETA are eligible for the Special Issue of the Journal of Mathematical Economics devoted to conferences in general equilibrium.
John Geanakoplos (Yale) was the Plenary Speaker for the workshop. Invited speakers included Bernard Cornet (Kansas and Paris I) and Cuong Le Van (Paris I). There were 22 papers presented. Assoc Prof Aditya Goenka chaired the organizing committee.
2008 Economics Alumni Committee

(Seated from left to right): Jeremiah Ong (class of 2000s cohort representative), Tang Wee Lip (1966 Honours, Hon. Vice-Chairman), Lee Soo Ann (1960 Honours, Hon. Chairman), Daniel Lo (class of 1980s cohort representative) & Tan Tai Kiat (2002 Honours, Hon. Secretary).

(Standing from left to right): Connie Chung (1983 Honours, Hon. Treasurer), Charan Kaur (class of 1970s cohort representative), Bao Binbin (2004 Master’s, Asst. Hon. Treasurer), Chiang Huimin (2006 Honours, Asst. Hon. Secretary), Patricia Ang (class of 1990s cohort representative) & Monica Chang (class of 2000s class representative).

Alumni Activities: January - September 2008

For 2008, NUS Economics Alumni is organising as its first event a talk by Mr Wee Sin Tho, 1970 Economics Alumnus, who will speak on “An Asset Allocation Model for Financial Investment”. Mr Wee is well qualified to speak on this subject as he is the NUS Chief Strategist, Endowment Programme and plays a major role in the investment portfolio of the few billion dollars held by NUS. After graduating from NUS, Mr Wee started his career with the then Ministry of Science and Technology before moving on to senior positions where he had been involved in asset management, equity brokering, debt origination and structured financial solutions. This talk will be given on Friday, 29 February 2008 at the Orchard Road YMCA 4th floor function room at 7.30 pm. Light refreshments will be served. Those who wish to come should email ecsbox8@nus.edu.sg. A donation of at least $10 pax is expected to cover costs. Those who can should donate more as NUS Economics Alumni has no subscription income.

For its second event, NUS Economics Alumni is organising a barbecue at the poolside of Peach Garden in Katong, by courtesy by one of its members. The date is Friday, 25 April at 7 pm. Further details can be obtained from the NUS Economics Alumni website at http://www.nuseconomicsalumni.org or by emailing ecsbox8@nus.edu.sg.

For June, an economic roundtable is being planned, and in September a celebration of the Chinese Mooncake Festival. An NUS Alumni Office Home-Coming event is expected to be organised for early July 2008.

All those who majored or did their Honours in Economics from NUS or its predecessor institutions are eligible to join. Just email ecsbox8@nus.edu.sg with your contact details, and year of graduation. You will then be put on our electronic mailing list.
We would like to express our sincere appreciation to all those who have contributed to this issue of ECONews.

We welcome your contributions on teaching, research and learning topics, as well as feedback on this issue. Please write to: ecsnews@nus.edu.sg.

Do we have your correct name and address? Would you like us to send a copy of ECONews to your friends/colleagues? Please fill in the form below and fax or email it to us:

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The annual GIC-National Economics and Fund Management Quiz was concluded at the University Cultural Centre on 21st July 2007. Earlier in May, more than 700 students from 17 Junior Colleges and Centralized Institutes had gone through a preliminary round and 4 institutions won themselves a place in the finals. These institutions were National Junior College, Hwa Chong Institution, Raffles Junior College and Victoria Junior College.

Each of the finalist teams went through a presentation round, where each team presented a different economic issue. VJC started with a debate on increasing unemployment in wealthy countries while NJC presented on the ministerial pay rise. An entertaining presentation was put up by RJC, who focused on a showdown between two opposing parties on the GST hike. Last but not least, HCI put up a skit based on the pegging of the Yuan, and introduced political characters from the countries in question. These varied styles of presentation proved to be both intellectually stimulating and entertaining.

Teams also battled their wits against one another in the Speed and Team Rounds, which called for both strategy and lightning reflexes. Based on the game ‘Jeopardy’, teams could choose to direct their questions to another school in the team round, forcing the latter team to rise up to the challenge or face the consequences of point deduction.

Initially, HCI led the tally during the speed round with their quick and accurate answers. However, VJC dominated the team round with their sharp instincts and strong foundation of Economics. At the end, the team consisting of Ang Hwee Yong Eugene, Aishwarya Devi Pragasam, Chua Wei-Lin, Too Xing Ji and Vanessa Chong from Victoria Junior College were crowned as champions. HCI came in second, while RJC and NJC came in third and fourth respectively. Each team received cash prizes and trophies for their hard work in the past few months.

This year, the event was graced by the Guest of Honour, Mr. Karsono Kwee, Executive Chairman of Eurokars Group and winner of the Entrepreneur of the Year (2006) award. Also present at the event were Professor Parkash Chander and Professor Basant Kapur, Head and Deputy Head of the NUS Economics Department respectively. Judges included Associate Professor Albert Tsui Ka Cheng, Associate Professor Shandre M. Thangavelu and Dr. Lim Boon Tiong, all of whom come from the Economics Department of NUS. Their expertise in various fields of Economics proved to be valuable in the judging and grading of the finalists.

The organizing committee from the NUS Economics Society would like to thank our sponsor, Government of Singapore Investment Corporation. The committee would also like to extend our appreciation to the Economics Department and the Office of Student Affairs, National University of Singapore, for their help rendered over the duration of the quiz.

This year, the annual quiz will undergo a huge revamp to focus on improving the financial literacy of the students. The new quiz will be named National Economics and Finance Management Quiz 2008 and will include questions on basic financial planning. Polytechnic students will also be allowed to join this competition for the first time. The quiz aims to increase the students’ enthusiasm in learning about managing their personal finance and through the process, gain greater financial literacy. The event will be held in July 2008 and we believe the event will be a resounding success like the previous one.